



8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66560; File No. SR-OCC-2012-01)

March 9, 2012

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change Relating to Public Directors

I. Introduction

On January 20, 2012, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-OCC-2012-01 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder.² The proposed rule change was published for comment in the Federal Register on February 2, 2012.³ The Commission received no comment letters regarding the proposal. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

II. Description

The proposed rule change would modify the corporate governance structure of OCC by: (i) increasing the number of public directors on OCC’s Board of Directors from one to three, (ii) creating a staggered term system for the public directors, and (iii) adding a public director to the Nominating Committee.

III. Discussion

Section 19(b)(2)(B) of the Act directs the Commission to approve a proposed rule change

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 34-66266 (January 27, 2012), 77 FR 5284 (February, 2012). In its filing with the Commission, OCC included statements concerning the purpose of and basis for the proposed rule change. The text of these statements is incorporated into the discussion of the proposed rule change in Section II below.

of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.⁴ In particular, Section 17A(b)(3)(C)⁵ of the Act requires that the rules of a clearing agency assure a fair representation of its shareholders and participants in the selection of its directors and administration of its affairs.

The proposed change would allow OCC to increase the number of public directors from one to three, to create a staggered term system for the public directors, and to add a public director to the Nominating Committee. In proposing these changes to the composition of its Board of Directors, OCC stated that the changes would enhance the corporate governance structure at OCC. As such, the Commission finds that the proposed rule change is consistent with OCC's obligation under Section 17A(b)(3)(F)⁶ of the Act's requirement that the rules of OCC be designed to remove impediments and perfect the mechanism of a national system for the clearance and settlement of securities transactions.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

⁴ 15 U.S.C. 78s(b)(2)(B).

⁵ 15 U.S.C. 78q-1(b)(3)(C).

⁶ 15 U.S.C. 78q-1(b)(3)(F).

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2)⁷ of the Act, that the proposed rule change (File No. SR-OCC-2012-01) be, and hereby is, approved.⁸

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

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Deputy Secretary

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⁷ 15 U.S.C. 78s(b)(2).

⁸ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

⁹ 17 CFR 200.30-3(a)(12).